

BRIAN HIGGINS
26TH DISTRICT, NEW YORK

COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEE ON HEALTH
SUBCOMMITTEE ON TRADE
SUBCOMMITTEE ON SOCIAL SECURITY

COMMITTEE ON THE BUDGET

REGIONAL WHIP

Congress of the United States
House of Representatives
Washington, DC 20515-3226

2459 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-3306
(202) 226-0347 (FAX)

726 EXCHANGE STREET
SUITE 601
BUFFALO, NY 14210
(716) 852-3501
(716) 852-3929 (FAX)

800 MAIN STREET
SUITE 3C
NIAGARA FALLS, NY 14301
(716) 282-1274
(716) 282-2479 (FAX)
higgins.house.gov

February 9, 2023

The Honorable Antony Blinken
Secretary of State
United States Department of State
2201 C St., NW
Washington, DC 20520

Dear Secretary Blinken:

I write today to inform you of the implementation of the Underused Housing Tax by the Government of Canada. This tax subjects foreign non-resident property owners, including many of my constituents, to a 1% tax if their property is determined to be "underused." At a time when encouraging cross-border travel and economic activity should be prioritized as both countries recover from the COVID-19 pandemic, this is an unnecessary burden and bad faith action by the Government of Canada, which violates the United States-Mexico-Canada Agreement (USMCA) as well as longstanding tax treaties. In your upcoming conversations with the Government of Canada, I request that objecting to this tax is a high priority.

Since the Underused Housing Tax was first proposed in the Government of Canada's Budget 2021 document, I have sounded the alarm about this problematic, discriminatory policy. This tax is in violation of the non-discrimination provisions of the United States-Mexico-Canada Agreement, as well as long-standing tax treaties. The United States and Canada, and in particular the area I represent, Western New York and neighboring Southern Ontario, share integrated economies and cultures. Many of my constituents own property in Ontario and throughout Canada. During the summer months, Americans living along our Northern Border frequently cross into Canada to enjoy their cottages in binational beach communities. This tax will impose a burden, financially and bureaucratically, on hardworking Americans who in many cases have owned these properties for generations. While the Government of Canada has included some exceptions for the Underused Housing Tax, they do not go far enough. Furthermore, it is especially offensive to impose such a tax after nearly three years of disjointed border policies.

The United States and Canada share a unique relationship, but imposing the Underused Housing Tax is concerning and threatening to it and must be addressed in upcoming bilateral meetings. Thank you for your attention to this important matter.

Sincerely,



BRIAN HIGGINS
Member of Congress